

The sustainable fund range



Investments | Sustainable fund range



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The sustainable fund range

A focus on sustainability and financials

We offer a choice of sustainable funds. These aim to grow your clients' money by investing in companies that contribute positively to the environment and society.

You can select funds to meet your clients' goals and risk appetite, with options spanning fixed income, equities and mixed asset.

Managed by the award-winning¹ Royal London Asset Management, the funds have over £2.6 billion in assets under management (as at August 2025).

Discover our sustainable funds. And help your clients align their investments with their values on environmental and social issues.

¹ Asset Manager of the Year at the Corporate Finance Awards 2025, Best Asset Manager 2025 at the Morningstar UK Fund Awards 2025, Responsible investor of the year – asset manager at the Insurance Asset Risk Awards 2024. Past performance is not a guide to future performance.

Why consider the sustainable fund range?

- Choice of nine funds depending on your clients' financial goals and how much risk they feel comfortable taking.
- Access to the sustainable investment expertise of Royal London Asset Management, which has been managing sustainable funds for over 20 years.
- The funds can be used on an individual basis or as part of a portfolio. The RLS Sustainable Leaders Fund and the RLS Global Sustainable Equity Fund can also be chosen as the equity fund within our Governed Range portfolios, at no extra charge².

Confirmation of the funds' clear sustainability approach

The underlying funds³ in the sustainable range have adopted the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR) Sustainability Focus label.

This is one of four labels that are part of measures aimed at giving customers better and clearer information on investments, to help them find funds that meet their sustainability objectives.

You can find out more on the FCA's website: **Sustainability disclosure and labelling regime | FCA**

² The basic charge is 1% a year, which is built into the fund price. We apply a discount for all customers, which depends on the value of the investment.

³ The SDR labels apply to the underlying UK-based funds. One of the underlying sustainable funds – the RLS Global Sustainable Credit Fund – is an offshore fund regulated in Ireland, so it doesn't have a label. However, while the investment processes differ, the sustainable approach is the same across all the funds.

Welcome

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What are the sustainable funds aiming to achieve?

All the funds aim to grow your clients' money by investing in companies that contribute positively to environmental and/or social outcomes.

Royal London Asset Management manages the sustainable funds. Like us, it believes that sustainable investing makes sense for the benefit of wider society and the environment – as well as financially.

How a company manages environmental, social and governance (ESG) risks or opportunities can indicate how well it's run – and could help to make it more resilient over the long term.



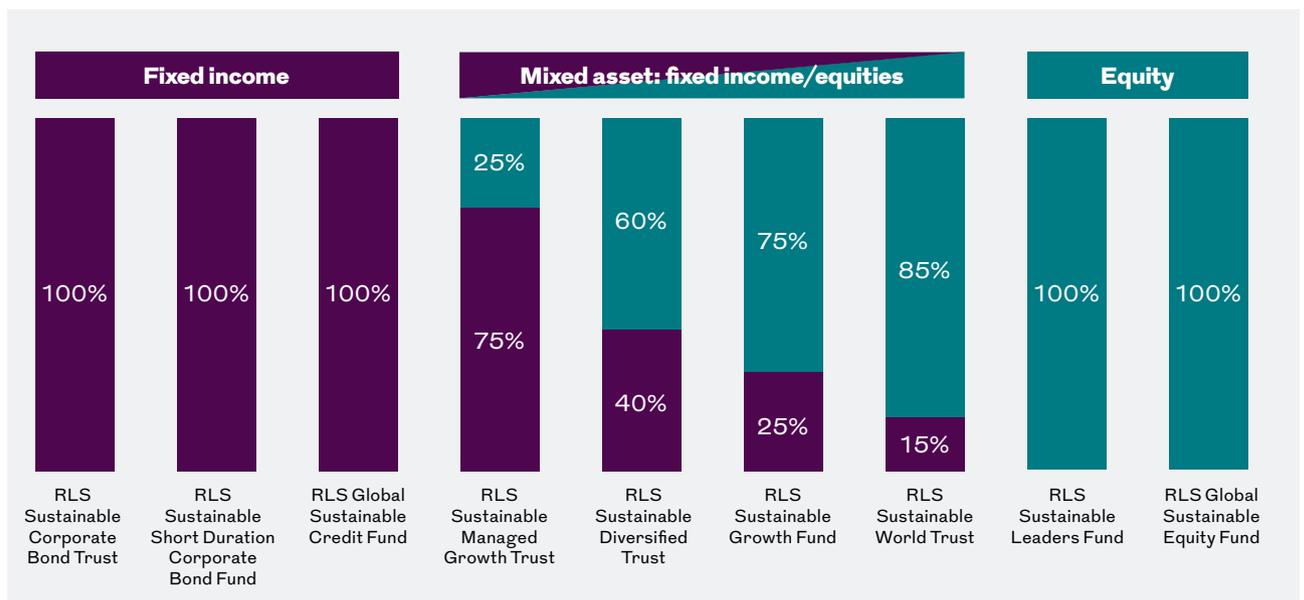
Responsible investor of
the year – asset manager

**In February 2024, Royal London
Asset Management won Responsible
Investor of the Year – Asset
Manager at the Insurance Asset
Risk Awards 2024.**

Choice of funds and how your clients can invest

There are nine funds to choose from depending on how much risk your clients feel comfortable taking. These range from 100% fixed income to 100% equities, with mixed asset funds in between.

Your clients can invest in the funds on an individual basis or as part of a portfolio. They can also use either the RLS Sustainable Leaders Fund or the RLS Global Sustainable Equity Fund as the equity fund within our Governed Range portfolios, at no extra charge⁴.



⁴ The basic charge is 1% a year, which is built into the fund price. We apply a discount for all customers, which depends on the value of the investment.

Each fund has a financial objective and a sustainability objective - see below. You can find out more about how the funds invest on pages 11-13.

Fixed income funds

RLS Sustainable Corporate Bond Trust

Financial objective: aims to achieve a total return over the medium term, which should be considered as a period of 3-5 years. Benchmark: Markit iBoxx Sterling Non Gilts Total Return GBP Index.

Sustainability objective: invest in companies or issuers that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Adviser using its “sustainability standard”.

RLS Sustainable Short Duration Corporate Bond Fund

Financial objective: aims to achieve a total return and outperform, after the deduction of charges, the ICE Bank of America Merrill Lynch Sterling non-gilt (1-5 years) Total Return (GBP Unhedged) over rolling five-year periods. Benchmark: ICE Bank of America Merrill Lynch Sterling Non-Gilt (1-5 Years) Total Return (GBP Unhedged) Index.

Sustainability objective: invest in companies or issuers that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Manager using its “sustainability standard”.

RLS Global Sustainable Credit Fund⁵

Financial objective: aims to outperform the Bloomberg Global Aggregate Corporate Total Return Index Hedged GBP by 0.75% per annum over rolling three year periods (gross of fees). Benchmark: Bloomberg Global Aggregate - Corporate Hedged GBP.

Sustainability objective: invests in bonds from companies that are deemed to make a positive contribution to society or are environmental, social and governance (ESG) leaders in their sectors. Investments will adhere to Royal London Asset Management’s sustainable investment policy.

Find out more about the **sustainability themes** on pages 10-11 and the **sustainability standard** on page 12.

⁵ The RLS Global Sustainable Credit Fund’s underlying fund is an offshore fund regulated in Ireland. The rest of the underlying sustainable funds are regulated in the UK. You’ll find an explanation of the investment process for the UK funds on page 12 and for the offshore fund on page 13.

Mixed asset: fixed income/equity funds

RLS Sustainable Growth Fund

Financial objective: aims to achieve capital growth over the medium term, which should be considered as a period of 3-5 years. Benchmark: IA Mixed Investments 40-85% Shares sector.

Sustainability objective: invest in companies or issuers that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Manager using its “sustainability standard”.

RLS Sustainable Diversified Trust

Financial objective: aims to achieve capital growth over the medium term, which should be considered as a period of 3-5 years. Benchmark: IA Mixed Investment 20-60% Shares.

Sustainability objective: invest in companies or issuers that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Adviser using its “sustainability standard”.

RLS Sustainable Managed Growth Trust

Financial objective: aims to achieve a total return over the medium term, which should be considered as a period of 3-5 years. Benchmark: ABI UK - Mixed Investment 0-35% Shares.

Sustainability objective: invest in companies or issuers that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Adviser using its “sustainability standard”.

RLS Sustainable World Trust

Financial objective: aims to achieve capital growth over the medium term, which should be considered as a period of 3-5 years. Benchmark: ABI UK - Mixed Investment 40-85% Shares.

Sustainability objective: invest in companies or issuers that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Manager using its “sustainability standard”.

Equity funds

RLS Sustainable Leaders Fund

Financial objective: aims to achieve capital growth over the medium term, which should be considered as a period of 3-5 years, and to outperform the FTSE All-Share Index (the “Index”) over rolling five-year periods. Benchmark: FTSE All-Share Index.

Sustainability objective: invest in companies that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Adviser using its “sustainability standard”.

RLS Global Sustainable Equity Fund

Financial objective: aims to achieve capital growth and outperform, after the deduction of charges, the MSCI All Countries World Net Total Return Index GBP by 2.5% per annum over rolling five-year periods. Benchmark: MSCI All Countries World Net Total Return Index GBP.

Sustainability objective: invest in companies that make a positive contribution to one or more of the “sustainability themes” (clean, healthy, safe, inclusive) through their products or services, as determined by the Investment Manager using its “sustainability standard”.

How the funds invest

A focus on sustainability and financials.

Royal London Asset Management researches each potential investment to decide if it's suitable from a sustainability perspective and financially.

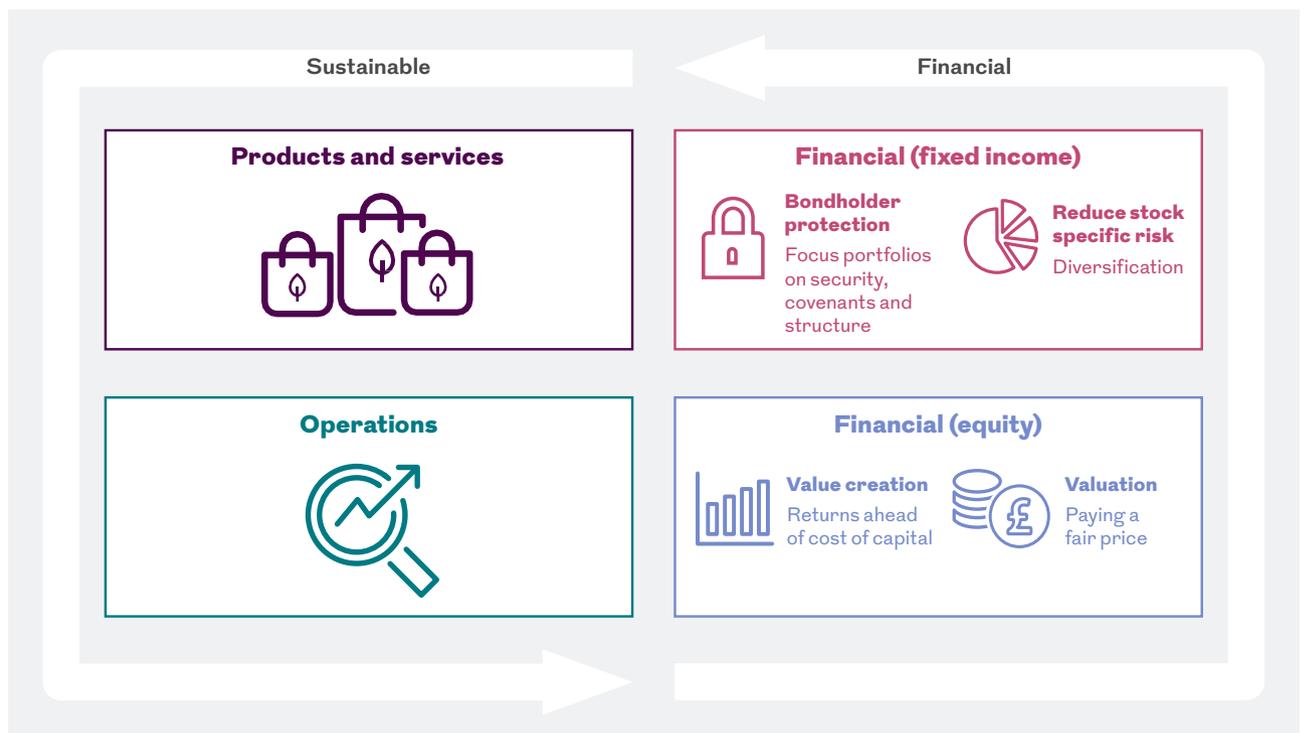
This means looking at **what companies do** (their products and services) and **how they do it** (operations).

For example:

- environmental factors like carbon intensity and water usage
- social factors, including themes such as social housing and new advancements in healthcare
- the strength of the management team, the strength of the balance sheet and the competitive advantage of the business
- corporate governance factors, including pay, and the structure and diversity of the board.

The sustainability analysis is carried out for both equity and fixed income investments.

The financial analysis is tailored to each asset class.



The sustainability themes

The sustainable approach is the same for the underlying UK-based funds and the offshore fund, regulated in Ireland. The approach centres on four sustainability themes. For the UK funds, this means considering sustainable companies that are clean, healthy, safe and inclusive. For the offshore fund, this means considering companies that are cleaner, healthier, safer and more inclusive.

Discover more about the four sustainability themes below.

What companies do (their products and services)

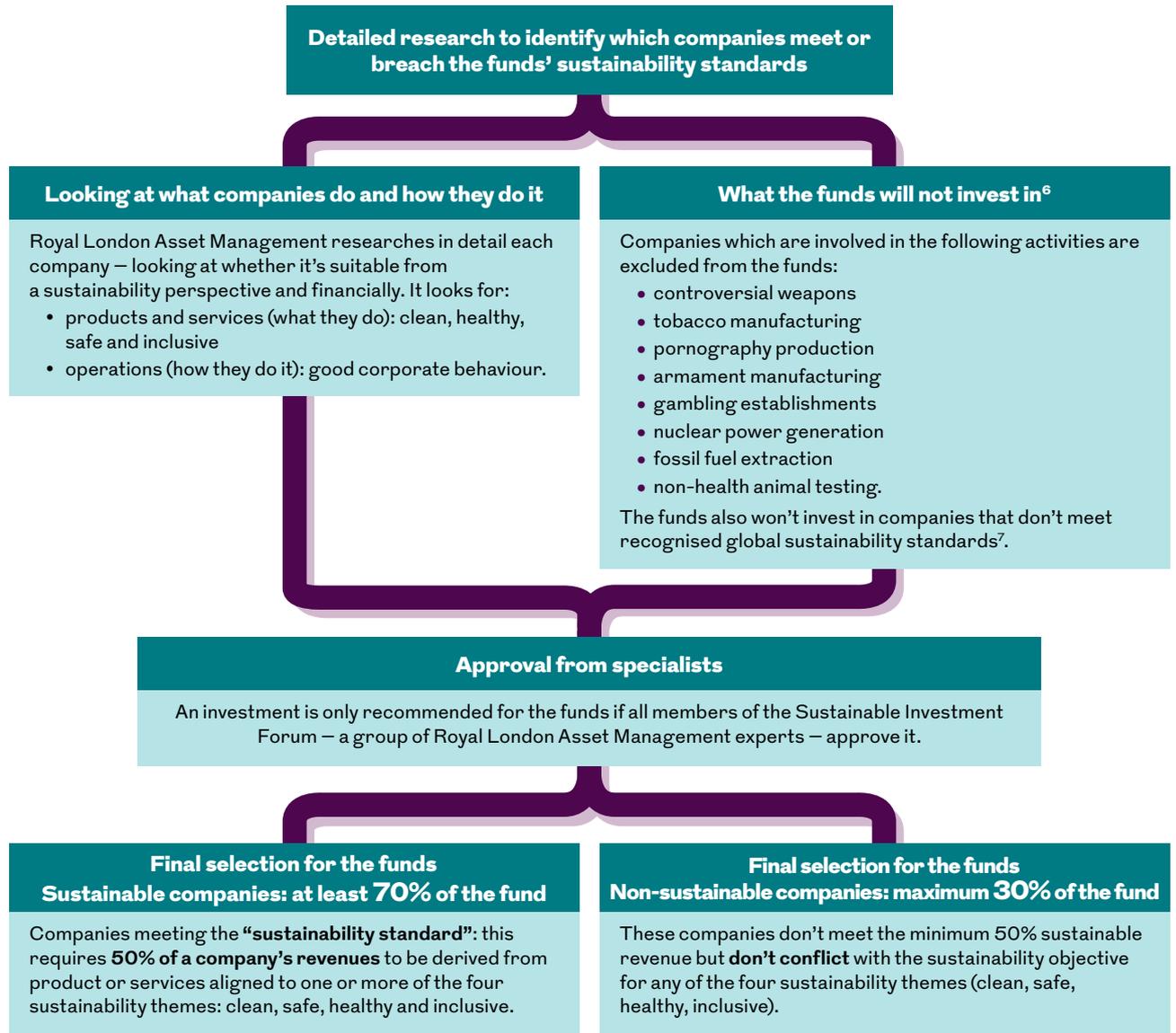
| | |
|---|--|
|  <p>Clean/ Cleaner</p> <ul style="list-style-type: none"> Facilitates re-use, recycling and re-manufacturing of scarce resources Encourages positive energy, water or biodiversity outcomes Preserves natural capital and increases resilience to climate change Supports the energy transition |  <p>Healthy/ Healthier</p> <ul style="list-style-type: none"> Drives next generation medicine to improve health outcomes Provides access to affordable healthcare Improves hygiene and wellbeing Improving efficiency of scientific research through digitisation |
|  <p>Safe/Safer</p> <ul style="list-style-type: none"> Safer and more effective transport Cyber security and online safety Better automation Safer and healthier workplaces |  <p>Inclusive/ More inclusive</p> <ul style="list-style-type: none"> Improves financial resilience and access to financial services for people and businesses Community infrastructure ensuring that society can stay connected Safe and affordable housing Access to digital technology and services |

How they do it (their operations)

| | | |
|---|---|---|
|  <p>Good governance (how the company is run), corporate culture, diversity and inclusion</p> |  <p>Proactive environmental, social and governance (ESG) practices</p> |  <p>Managing risks related to ESG practices</p> |
|  <p>Does no significant harm</p> |  <p>Reputational risks and controversies</p> |  <p>Climate change and greenhouse gas (GHG) emissions management</p> |

The process for deciding what the underlying UK funds invest in

The sustainable funds look to invest in companies contributing positively to the environment and society – and to ‘screen out’ and exclude those that could potentially cause harm.

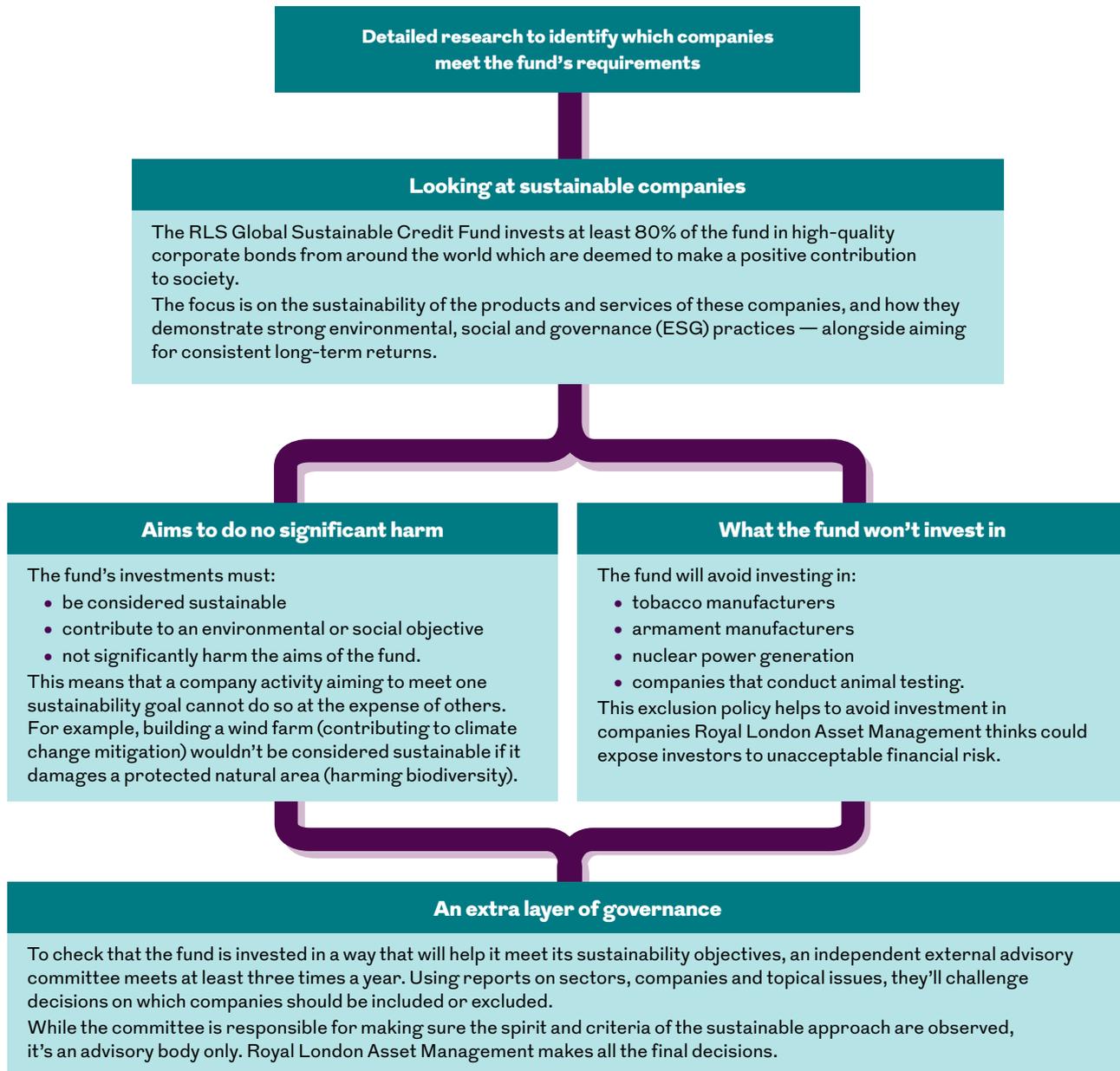


6 Royal London Asset Management monitors the exclusions applied to the funds on an ongoing basis and may add new criteria or amend existing criteria where appropriate.

7 The funds won't invest in companies which have operations, products or services that don't meet the standards of the **10 principles of the United Nations (UN) Global Compact**, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises on Responsible Business Conduct (**OECD Guidelines**). Human rights, labour standards, the environment and consumer interests are just some of the areas covered by these standards.

The process for deciding what the underlying offshore fund invests in

As with the underlying UK funds, the RLS Global Sustainable Credit Fund aims to support the change to a more sustainable society by investing in companies based on what they do and how they do it. However, there are some differences in how it invests.



Influencing change

Royal London Asset Management engages with the companies it invests in on your clients' behalf. It focuses on issues it believes could most affect investments – and where it can help to influence positive outcomes.

Its dedicated Responsible Investment team leads this work

Using its influence (as part of a large investor), the team aims to contribute to change across its investments in several areas relating to environmental, social and governance issues by:

- voting at companies' annual meetings
- engaging with company management and advocating strong corporate governance (how a company is run).

The following information relates to Royal London Asset Management's stewardship approach to all its investments, not just those in the sustainable funds.

In 2024, the Responsible Investment team:

Voted on 44,699 resolutions **Carried out 724 engagements⁸**

The team reviews engagement themes every two years – the current themes are shown on the next page.

It decides the themes by consulting clients, carefully analysing trends and events, and working with investment experts and key stakeholders.

Engagement in action

You can find out more about Royal London Asset Management's engagement and voting in the [Stewardship and responsible investment report 2024](#). This includes real-life case studies showing how its Responsible Investment team aims to influence company behaviour.

⁸ Figures as at 31 December 2024. Engagement interactions are substantive (meaningful) letters, meetings, phone calls or emails.

Royal London Asset Management's engagement themes for 2026-2028



Climate

Net zero: Creating a Paris-aligned future

Just adaptation: Building fair, inclusive climate resilience

Just transition: Driving a fair, inclusive climate transition



People

Diversity: Enabling inclusive decision-making

Financial inclusion: Equal pay, equal access, inclusive growth

Human rights: Protecting freedoms and rights



Nature

Climate and nature: Connecting climate action with nature protection

Just nature: Fair, inclusive solutions for nature's resilience

Land and water management: Preserving natural capital



Governance

Business culture and ethics: Building resilience through ethics and human capital

Cyber security: Protecting assets and infrastructure

Sustainable and Ethical AI: Responsible technology that respects people and planet

Royal London Asset Management is also a signatory of the [UK Stewardship Code](#), the [Principles for Responsible Investment](#) and [Climate Action 100+](#).

What do we mean?

Engagement refers to structured, purposeful dialogue between investors and companies, policymakers, standard setters and other stakeholders, with the intention of influencing (or identifying the need to influence) positive change and/or improving disclosure. Engagement can take two forms:

1. Engagement for information, which describes engagements that look to uncover information or identify the need to change or influence.
2. Engagement for change, which describes engagements that look to influence change, with defined objectives and demonstrable outcomes.

Voting means using rights as shareholders to vote at the annual or extraordinary general meetings (AGM/EGMs) of the companies invested in, usually electronically. Voting is used to influence companies to carry out their operations responsibly.

For more information speak to your usual Royal London contact or visit adviser.royallondon.com/investment



Royal London
royallondon.com

We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.

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